

# **Intermodal Economics and Port Innovation**

**Washington, DC**  
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# What is Intermodal?

- **Academic Definition**
  - Transportation using multiple modes of transport, each to its best advantage
- **Railroad Industry Usage**
  - Movement of trailers and containers on railroad trains



# North American Intermodal is a Private Sector Industry

- **Six large Class I railroads**
- **Amtrak**

Private Sector Railroad Economics Drive  
Intermodal Innovation

# How are Economic Forces Shaping Intermodal Innovation at Ports?

The logo for CSX Intermodal, featuring the letters "CSX" in a large, bold, sans-serif font, with the word "INTERMODAL" in a smaller, all-caps, sans-serif font directly beneath it.

**CSX**  
INTERMODAL

# **Four Things You Need to Know About Intermodal**



## 1. Truckers' Turf

- Nearly all Intermodal shipments begin and end on rubber tires.
- Truckers operate everywhere Intermodal does
- Intermodal's competitive advantage must be earned move-by-move



## 2. Service Oriented Business

- Valuable commodities
- Tight supply chains

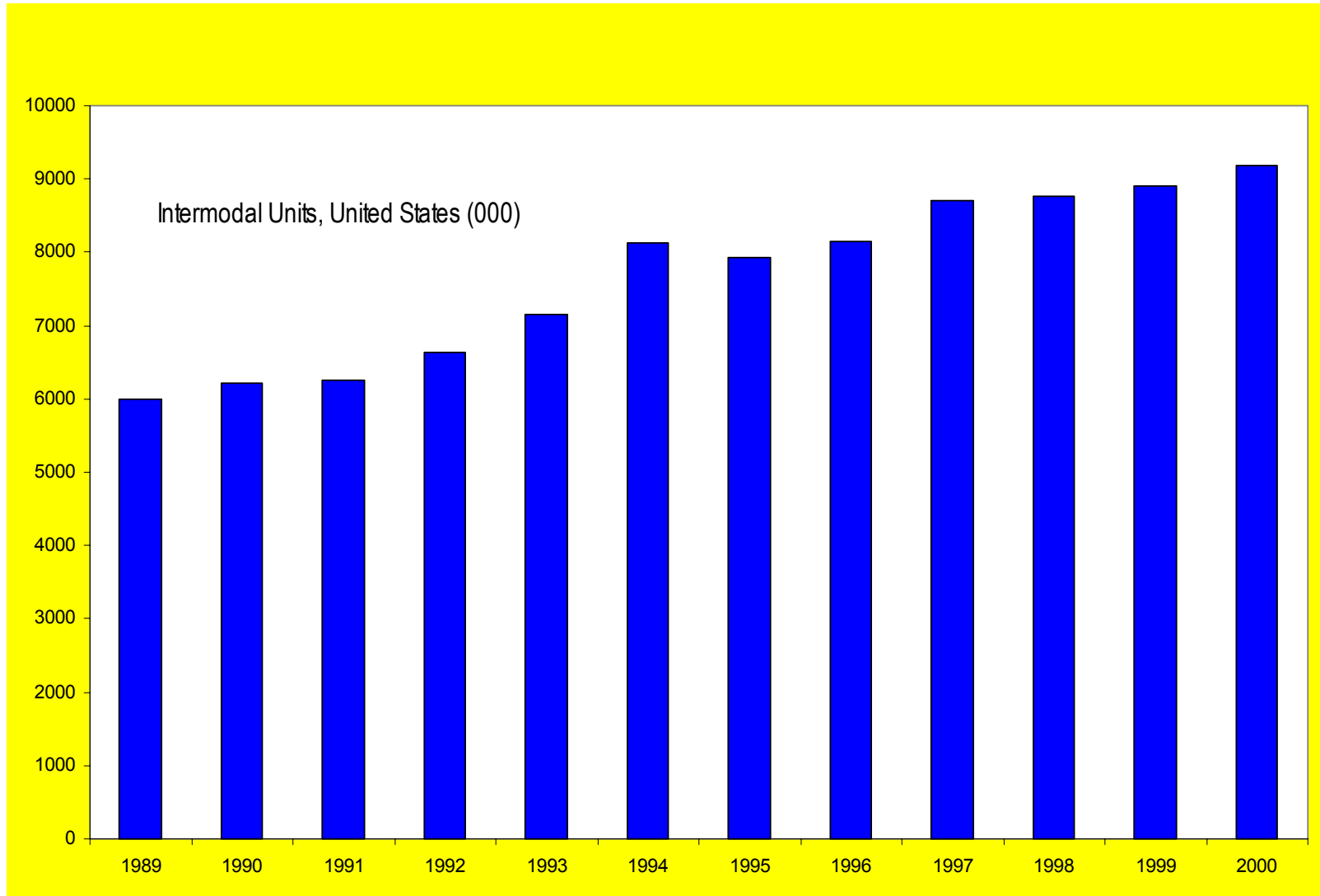


### 3. Stable Network

- Current network evolved over 50 years
  - Fewer points, higher volume
- New network points occur infrequently



## 4. Growth Business





**CSX Intermodal is a Major  
North American Intermodal  
Company.**

- **Nationwide network connecting 48 terminals**
- **Largest trucking operation in the Intermodal industry**
- **Over 300 dedicated Intermodal trains weekly**
- **Annual volume exceeds two million annually**



- Intermodal's competitive advantage improves:
  - With longer rail distance
  - With larger trainload volume
  - With concentrated traffic distribution

# Can Inland Port Intermodal Systems Thrive in a Private Sector Network?

	Short Haul	Long Haul
High Volume Concentrated Volume	<div>Mature Inland Port</div> <div>Sustainable Operating Economics</div>	Current Intermodal Positioning
Low Volume Dispersed Volume	<div>Nascent Inland Port</div> <div>Unsustainable Operating and Capital Economics</div>	

# Inland Port Services Can Thrive Under the Right Conditions

- **Capital facilities are already built, and have capacity, and**
- **Either:**
  - **Inland port business has grown to high, concentrated volume levels, or**
  - **Train operations are sustained by other businesses, and have capacity.**

